



Electricity Oversight Board

Daily Report for Friday, May 16, 2003

On Friday, the zonal price for SP15 at \$57.01/MWh increased from Thursday at \$48.53/MWh by 17 percent, while NP15 rose moderately to \$44.38/MWh up from Thursday at \$43.06/MWh. Congestion on Path 26 in the North-to-South direction continued for six hours, from noon through 6:00 p.m., and resulted in split zonal prices. Despite the fact that indicating factors pointed to lower prices, such as:

- The average natural gas price dropped from \$6.24/MMBtu on Thursday down to \$5.95/MMBtu on Friday, translating to a three percent drop from the previous day.
- Healthy generation levels. On Friday, the unplanned generation offline decreased by approximately 400 MW, however planned outages just about offset that amount.

the zonal prices were higher on Friday partly due to:

- Warmer weather conditions. Temperatures across California continue to remain warm resulting in increased cooling demand.
- Lower availability of hydro electric generation. Changing river conditions have affected the amount of power available.

In the news:

- Governor Davis is requesting a \$1 billion rate reduction for California utility ratepayers. The rate reductions is a plan to provide relief to the California economy.
- FERC will defer the Market Design until the Congress produces a final version plan of a comprehensive energy bill.

Figure 1 - SP15 & NP15 7-Day Rolling Average Prices

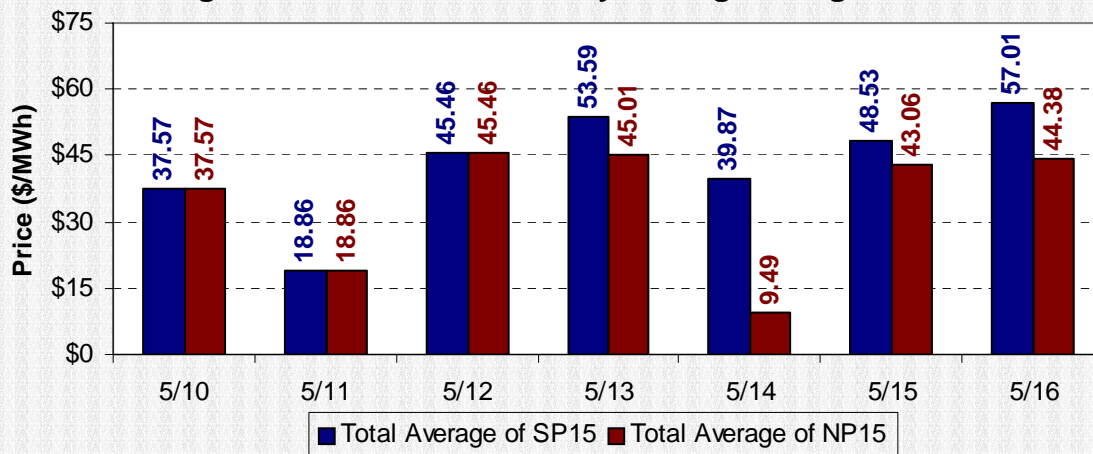
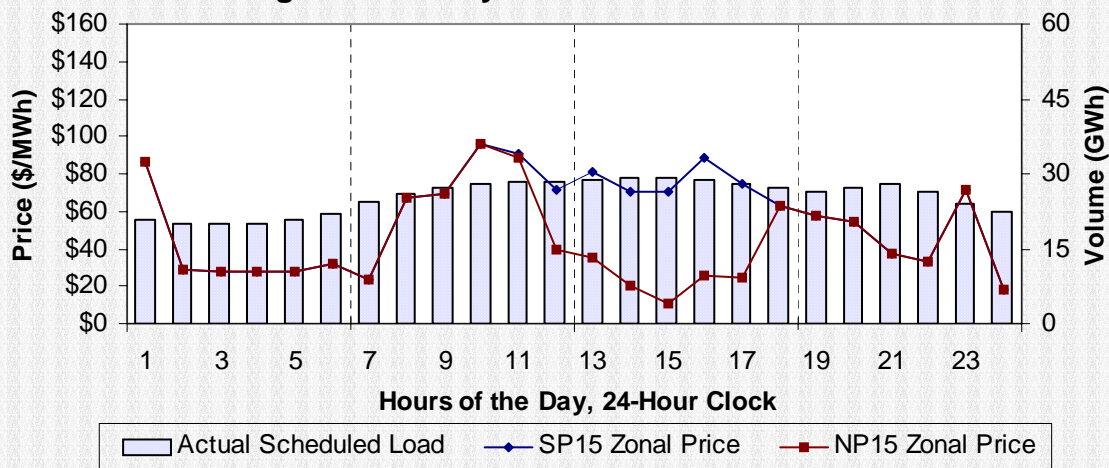


Figure 2 - Hourly Zonal Price and Volume





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Figure 3 - On-Peak Average Price by Market Area

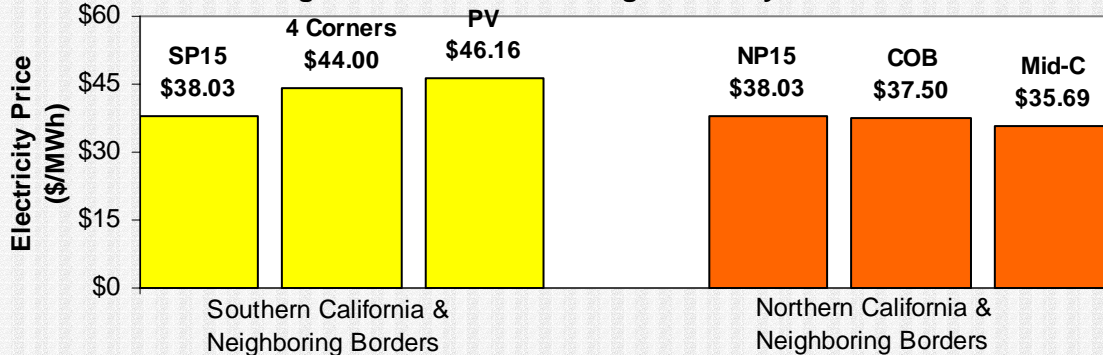


Figure 4 - Seven Day Snapshot of NP15 Zonal Price

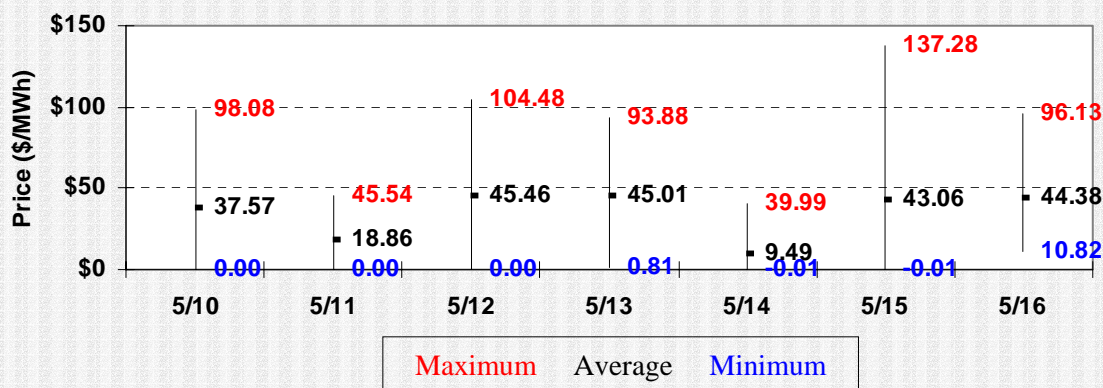


Figure 5 - Average Natural Gas Price

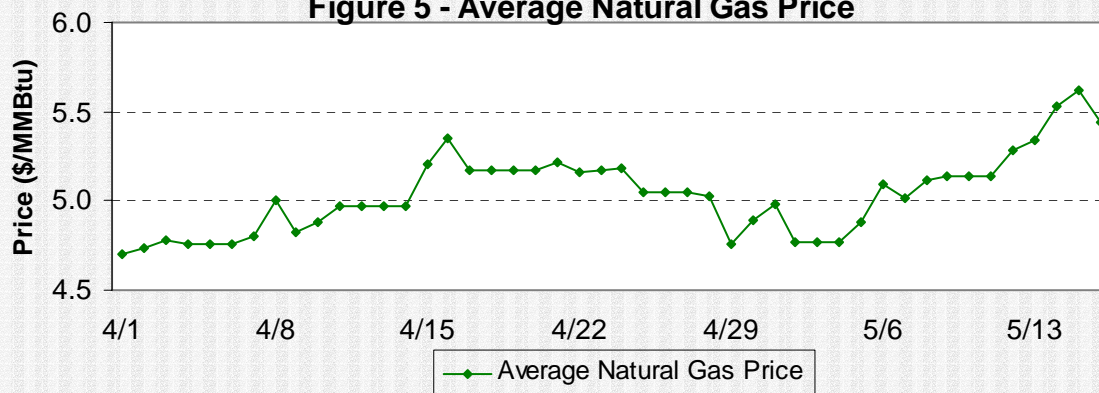


Figure 6 - Average Daily Zonal Price & Total Actual Load

